This guideline embodies the Company's commitment to strict compliance with the Brazilian competition law and the foreign jurisdictions in which it conducts business.

Compliance with this guideline is fundamental to avoid the occurrence of violations, as well as to prevent the Company from suffering from anti-competitive practices carried out by other agents.

In case of doubt regarding compliance with the norms for the Defense of Competition and their application in the Company's processes, the COMPLIANCE must be consulted. The analysis of specific conduct and the possible consequences under the law should be forwarded to the LEGAL DEPARTMENT. The previous diligence strengthens the Company's position in the face of possible questioning.

VIOLATIONS TO THE ECONOMIC ORDER

Article 36 of Law No. 12.529/2011 - Competition Defense Law (LDC) consider as a violation of the economic order, regardless of fault, any act that has the object or may produce the following effects, even if not achieved:

I - to limit, restrain or in any way injure the free competition or free initiative;

II – to control the relevant market of goods or services;

III – to arbitrarily increase profits; and

IV – to exercise a dominant position abusively.

In this sense, the LDC lists, as examples, conducts that could constitute violations to the economic order, to the extent that they fit any of the anticompetitive effects provided in the aforementioned article 36 of the LDC.

Among the list of conducts, there are horizontal and vertical practices, an example of which is the formation of a cartel, which consists of the union of competitors in order to manipulate the market to (i) increase prices or prevent them from changing, (ii) restrict the amount of products on the market (limit supply), (iii) promote market division or (iv) coordinate the performance in bidding processes.

DI-1PBR-00352 - PREVENTION AND REPRESSION OF CARTELS IN CONTRACTING GOODS AND SERVICES provides guidance on the procedures and precautions that aim to prevent and repress behaviors that compromise the competitive nature of the procurement of goods and services.

Vertical practices, on the other hand, can be exemplified as fixing resale prices, territorial and customer base restrictions, exclusivity agreements, refusal to negotiate, tie-in sale, price discrimination, predatory pricing and abusive exploitation of rights of industrial, intellectual property, technology or brand.

DOMINANT POSITION

A dominant position is assumed when a company or group of companies is able to unilaterally or jointly change market conditions or when it controls 20% (twenty percent) or more of the relevant market.

While it is the Company's premise to conduct its business according to the highest ethical standards, in situations of market dominance, it is particularly important that the Company avoid practices that may be perceived as designed to unlawfully exclude or eliminate competitors.

This is because the precedents of the Administrative Council for Economic Defense (CADE) understands that a company with a dominant position holds a special responsibility in its relationship with other economic agents. Thus, a certain behavior may be illegal if it produces anticompetitive effects in the market.

Under the terms of the antitrust legislation, the condition of dominance that may be experienced by the Company in any market does not restrict its subjective right to adopt legitimate competitive strategies and be an effective rival to its current or potential competitors.

It should be clarified that the conquest of a market by natural process and by being the most efficient economic agent in relation to competitors does not characterize the unlawful act set forth in item II of article 36 of the LDC. In other words, the mere fact that a company is dominant, by internal or organic growth, does not characterize any violation.

RELATIONSHIP WITH CUSTOMERS AND SUPPLIERS

Independent Performance

The Company is free to choose its customers and suppliers, and must do so independently, except for any restrictions arising from the competition law, from the regulation applicable to the economic activity, as well as from the applicable bidding rules according to the specific case.

The following conducts are forbidden: (i) keeping understanding or agreement with a party, written or verbal, with the purpose of restricting competition, regardless of the market in question, and (ii) mediating commercial disputes between customers - except when exercising one's own right.

Exclusivity Agreements

The execution of exclusivity agreements, or other adjustments of a similar nature, requires prior analysis by the LEGAL department for evaluation as to the possible anti-competitive effect of the operation.

The competition precedents do not point to the practice of exclusivity in a contract as illicit per se, because there may be reasonable arguments to support its adoption - such as obtaining efficiencies for both parties.

However, it is common knowledge that the adoption of exclusivity clauses by dominant players has the potential to (i) cause market foreclosure, (ii) increase barriers to entry, and (iii) raise rivals' costs by restricting their activities in that market.

Refusal to Negotiate

It is possible to refuse business that is contrary to legitimate business interests, such as those with high credit, integrity, environmental, and other risks.

However, there are certain cases in which antitrust law imposes compulsory trading. Considering that this same legislation does not define, exhaustively, the cases in which mandatory negotiation must take place, we conclude that each hypothesis must be analyzed individually.

The LEGAL department must be consulted prior to any decision by the Company not to negotiate with a customer or potential customer, except in cases that may fall under previously defined guidelines.

Entering into New Contracts

To minimize antitrust risks, it is mandatory that the LEGAL Department be consulted before the Company enters into contracts that are not approved as standard.

Purchase and Sale of Products, Goods and Services

The Company must adopt strategies for the formation of commercial conditions for the products it offers, with independence in relation to other market agents.

It is forbidden to condition the purchase or sale of products to the purchase or sale of other products or, furthermore, the "non-acquisition" of a competitor's product, except in the hypotheses of compatibility with the competition defense legislation, to be examined on a case-by-case basis.

It is important to highlight that the acquisition of goods and services, by means of a bidding process, when applicable, does not rule out the incidence of the norms pertaining to Competition Law. In this sense, in the Company's purchases subject to contracting through a bidding procedure, the principles and rules of the Competition Defense Law must also be observed.

Conditions and Resale Prices

Resale pricing occurs when a company controls or attempts to control the price at which its customer or distributor resells the products/services to the consumer. It is forbidden to suggest to customers resale prices, discounts, payment terms, minimum or maximum quantities, profit margin or any other marketing conditions relative to their business with third parties.

Price discrimination and Sales Conditions

Although a differentiated price or a discount may be allowed by the antitrust legislation, such situations require specific analysis, as the antitrust legislation establishes that discrimination against purchasers or suppliers of goods or services through differentiated pricing, conditions of sale or provision of services may constitute an infringement of the economic order. Therefore, the Company's pricing practices, which tend to discriminate customers and suppliers, must be previously analyzed by the LEGAL department.

RELATIONSHIP WITH COMPETITORS

The exchange of information among competitors, including the collection of information to create competitive intelligence, benchmarks, and partner relationships, is common and can lead to benefits of increased efficiency and cost reduction, but can also show competitive risks if performed improperly.

Caution should be exercised with regard to competitively sensitive information, since a simple exchange of information in this area can create a presumption of coordination between the parties, according to the precedents of CADE and international entities. In case of doubts in the interaction with competitors and regarding the sharing of competitively sensitive information, the LEGAL department should be consulted.

Competitively sensitive information is information that may have effects on competition and that directly concerns the performance of the economic agents' and activities (specific information), such as costs of the companies involved; level of capacity and expansion plans; marketing strategies; pricing of products (prices and discounts); sales margins; competitive strategies; main customers and discounts secured; main suppliers and terms of contracts with them; royalties; non-public information about brands and patents and Research and Development (R&D); plans for future acquisitions; employees' salaries, etc.

Thus, it is forbidden:

- Engaging in any discussion or exchange of information with a competitor's representative regarding customer allocation, market division, pricing (floor prices, target prices, resale prices, profit margins), terms of sale (discounts, credit or payment terms), supply restriction, etc.

- Sharing competitively sensitive information without appropriate remedial measures (presentation of data with a certain time lag, or aggregated/anonymized data, signing of confidentiality agreements, assessment of reasonableness, relevance and indicated to access such information).

- Supporting the collective boycott of certain suppliers or customers.

- Entering into any agreement or contract concerning these matters, including not only oral and written contracts, but also "gentlemen's agreements".

- Attending the invitation or staying in meetings that deal with these topics, and in these cases, withdrawing from the meeting and requesting their recording in the minutes.

- Sending or receiving any kind of price information to or from competitors, unless the independently prepared price list has been published and circulated in the market to customers according to the Company's or the competitor's usual mechanisms, as the case may be.

- Adopting language that can be misunderstood by third parties who may become aware of its contents, not using ambiguous words that may have undesired meanings.

When a competitor is a customer or supplier, it is allowed to discuss and agree on prices related to the products that are being negotiated between the parties, in which case, the other guidelines contained in item 3.3. - Relationship with Customers and Suppliers - of this Guideline.

Partnerships

Within partnerships, care must be taken that competitively sensitive information is not shared inappropriately between companies. The information shared must be restricted to the operationalization of the partnership and to what is stipulated in the contracts signed.

Strategies for Forming Business Conditions

The prices and commercial practices implemented by the Company shall be established independently, taking into account the Company's costs, the national or international market conditions, as the case may be, and price competitiveness.

RELATIONS WITH BUSINESS ASSOCIATIONS, TRADE UNIONS, FEDERATIONS AND CONFEDERATIONS

Business associations, trade unions, federations and confederations play a legitimate and relevant role for the industry. However, by bringing competitors together, such entities pose a potential risk of antitrust liability.

The sending of any of the Company's data to such entities must be subject to careful previous evaluation, and the sending of information that is competitively sensitive without the previous analysis of the LEGAL Department is forbidden.

Any affiliation or participation of the Company in these entities should be preceded by the approval of the competent authority for such act.

MERGERS, ACQUISITIONS AND JOINT VENTURES

The LDC established the pre-merger control involving companies that meet certain requirements based on their economic size. In a mandatory manner, the analysis of mergers must be submitted previously to CADE's analysis.

Shall be considered mergers, according to Article 90 of the LDC, when:

- Two (2) or more previously independent companies merge;

- 1 (one) or more companies acquire, directly or indirectly, by purchase or exchange of stocks, shares, bonds or securities convertible into stocks or assets, whether tangible or intangible, by contract or by any other means or way, the control or parts of one or more companies;

- 1 (one) or more companies incorporate one or more other companies; or

- 2 (two) or more companies enter into an associative, consortium or joint venture agreements, except if intended for public bids (including contracts resulting therefrom).

The mergers to which the Company is a party can only be consummated after CADE's approval, and the competitive conditions between the companies involved must remain preserved until the final decision, that is, the parties must keep the physical structures and the competitive conditions unchanged, and any conduct that may be considered as premature coordination of the operation (gun jumping) is forbidden. Therefore, while the operation is not authorized by CADE, its effects must remain suspended, under penalty of nullity of the acts performed, a fine ranging from BRL 60 thousand to BRL 60 million (values in effect until the date of publication of this normative document) and the opening of an administrative proceeding against the involved parties.

RELATIONSHIPS WITH SUBSIDIARIES, CONTROLLED COMPANIES AND AFFILIATES

The Company shall not grant undue privileges to its subsidiaries, controlled companies and affiliates in regard to prices, discounts or other unjustifiable advantages based on the provisions of antitrust legislation, without prejudice to other applicable rules. These relations are regulated in PL-0SPB-00005 - POLICY ON TRANSACTIONS WITH RELATED PARTIES.

ANTITRUST INVESTIGATIONS AND REQUESTS FOR INFORMATION

It is the Company's duty to cooperate with the investigations conducted by national and foreign antitrust authorities, without, however, implying in the waiver of any rights, actions or claims of the Company for the defense of its interests and rights.

The requests for information formulated to the Company by an antitrust authority must be forwarded for analysis by the LEGAL department prior to the sending of the information.

Violations to the antitrust legal provisions may subject the company to administrative liability for violation to the economic order, which provides for, among other legal sanctions, the imposition of fines from 0.1% to 20% of the annual gross revenue (indexes in effect until the date of publication of this normative document) and civil liability for losses and damages. The executives and employees involved can be held individually responsible, both in administrative and civil terms and, depending on the violation committed, also in the criminal sphere.

RISK ANALYSIS AND MONITORING

The organizational units must identify in their operations and activities the areas and processes most exposed to competition risk and adopt the appropriate mitigation measures.

The follow-up and monitoring of the competition risk management actions will be carried out by the COMPLIANCE department.

The identification and monitoring of competition risks are essential for the adequate planning of measures to prevent, detect and remedy the risks of infringing applicable antitrust law and their adverse consequences.

TRAINING

Awareness of unwanted conduct allows violations of the law to be identified more quickly, favoring a prompt response from the Company.

The following courses are offered to the workforce:

- Competitive Compliance;

- Practices of Cartels in Bidding.